



SEATTLE CITY COUNCIL | DISTRICT 3

**COUNCILMEMBER KSHAMA SAWANT**

**Fact sheet:**

## **Why we need an Amazon Tax**

**The housing unaffordability crisis is dire – and getting worse every month**

Seattle is in the throes of a stunning and unprecedented affordable housing and homelessness crisis. Sky-high rents and soaring home prices are driving working-class households, seniors, students, and especially working families of color out of our city, and sometimes into homelessness.

The loss of affordable housing in Seattle is a crisis deeply impacting the lives of people throughout our city and region and disproportionately harms people of color, immigrants, the LGBTQ community, indigenous peoples' communities, disabled community members, and women, who already struggle against entrenched inequality.

This is most painfully true for the growing number of people - 22,484 over the course of the year, at last count - who are experiencing homelessness in Seattle and King County. Seattle and King County have the shameful distinction of being among the top three regions in the country in homelessness, and as [the recent report from McKinsey & Company bluntly stated](#), "The problem is getting worse."

Even as Seattle has experienced a record-breaking construction boom, being recognized as the nation's construction crane capital three years running, the housing crisis has worsened, demonstrating how the for-profit market has failed working people:

- [Average rents in Seattle rose 69% between 2010 and 2018](#), far beyond the rate of inflation and more than double the national average
- [46% of Seattle renters are officially rent burdened](#)
- [The median rental price in Seattle is \\$2,490](#)
- Numerous studies have shown that rising rent increases homelessness. On average, in urban areas, [each \\$100 increase in the average rent causes a 15% increase in homelessness](#)
- The crisis is no better for homebuyers, [with average home prices reached a staggering \\$775,000 in Seattle last year](#)
- [More than 100,000 Seattle households, including both renters and homeowners, are considered "cost-burdened"](#) – paying more than 30 percent of income on housing costs.

An equal opportunity employer

600 Fourth Avenue, Floor 2 | PO Box 34025, Seattle | Washington 98124-4025

Phone (206) 684-8803 Fax (206) 684-8587 TTY 711

Email [kshama.sawant@seattle.gov](mailto:kshama.sawant@seattle.gov)

- [Seattle has the third-highest number of people experiencing homelessness in the country.](#)
- In 2019, [11,199 people were homeless in King County during the point-in-time count \(with 7,797 people being homeless in Seattle\).](#) But that point-in-time number is an undercount. The more accurate figure is [22,484 people who experienced homelessness in 2018 at some point during the year, an increase of 8.5% over the previous two years.](#)
- [More than 4,280 students in Seattle Public Schools are homeless or have unstable housing](#)
- Thousands of Seattle renters face eviction threats every year, and a recent study by the Seattle Women's Commission and the King County Bar Association's Housing Justice Project showed that [more than half of Seattle renters hit with eviction notices in 2017 owed one month's rent or less, and nearly 90 percent of tenants who are ultimately evicted wind up homeless.](#)
- The same study showed that evictions in Seattle fall disproportionately on women and people of color, as while people of color constitute about 35 percent of renters, nearly 52 percent of evictions involved people of color.
- The soaring cost of housing is destroying the social fabric of communities through gentrification, driving people away from their friends and family, faith communities, small businesses, and neighborhoods, as exemplified by the fact that [the number of Black residents in Seattle's Central District has plunged from 70 percent in the 1970s to under 20 percent today.](#)
- Moderate-income families are being pushed out of Seattle. [95% of Seattle's growth is either among low-income households or very high income households.](#)

Affordable housing in Seattle is for all practical purposes out of reach for teachers, bus and truck drivers, healthcare workers, construction workers, city employees, restaurant and bar workers, and a slew of other workers who daily make Seattle run, and furthermore is driving out seniors and others who survive on fixed incomes

**The private, for-profit market has failed working people, and public investments have been woefully inadequate**

In January, the McKinsey & Company consulting group reported that the region needs 37,000 new homes and additional services, costing ["between \\$450 million and \\$1.1 billion each year for the next ten years" to properly address the homelessness crisis.](#)

The private housing market has failed, and will continue to fail, to meet these basic human needs:

- [Nearly 92 percent of the 31,000 new market-rate apartments that have opened in Seattle between 2010 and 2017 have been luxury units.](#)
- The profit-seeking private sector has wiped out affordable housing. [In the last decade King County has lost 112,000 affordable homes as landlords increased rents](#)

[far beyond income growth, and developers demolished affordable homes to make way for more expensive ones.](#)

Publicly-funded affordable housing investments are providing only a tiny fraction of what people need:

- Every affordable housing opportunity that opens up has 10-20 people seeking to fill it. In 2017, nearly [2,100 households applied to a lottery for 108 affordable apartments](#) in a new South Seattle building. In January, [850 people applied to live in a new 74-unit affordable housing building opening at 23<sup>rd</sup> and Jackson.](#)
- Federal housing vouchers (Section 8) are almost impossible to obtain. The [Seattle Housing Authority reports that it will be “several years” before it can offer any more housing choice vouchers.](#)
- [Waitlists for apartments run by the Seattle Housing Authority start at 2 years and can stretch out as long as 8 or 9 years.](#)
- The Seattle Housing Levy represents a step forward, yet at [\\$41 million/year in housing investments – just over 300 new homes per year](#) - represents a tiny fraction of what is needed.

Housing is a human right, and Seattle urgently needs a bold public policy to massively expand social housing (publicly-owned or controlled housing), where rents are permanently affordable, stable, predictable, and fair.

### **Seattle must fund the Green New Deal**

The global climate crisis is the biggest problem facing humanity, and Seattle must do its part.

Last fall the Seattle City Council adopted [Resolution 31895](#), which recognized that while the city has made some progress towards reducing dependence on fossil fuels, it was not nearly enough to make the necessary changes to shift Seattle’s economy to be more equitable and ecologically sustainable.

[Home energy use is responsible for about 15 percent of Seattle’s overall climate pollution.](#) Seattle needs a Green New Deal to help current homeowners and renters weatherize their homes, convert from oil or gas to electric if they wish to, install renewable energy systems like solar panels, and take other measures to reduce dependence on fossil fuels and cut climate pollution. These Green New Deal investments also will reduce residents’ utility bills over time, helping them keep down housing costs.